



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
HARRISBURG, PA 17120

OFFICE OF SECRETARY

January 31, 2005

Gary M. Jackson
Assistant Administrator for Size Standards
409 Third Street, SW.
Washington, DC 20416.

Dear Mr. Jackson:

I am writing to encourage the SBA to provide an exclusion from affiliation with venture capital companies in determining small business eligibility for the SBIR Program. Under such a policy, VCs that invest in SBIR participants would not be considered affiliates of the SBIR participant and their size would therefore not be included in determining the size of the participant. We feel that these small businesses have an equal need for eligibility to the SBIR program as businesses that are not venture affiliated. This letter is in response of a recent announcement made by the SBA regarding the SBIR Program that may allow subsidiaries to be eligible for SBIR competition.

As Secretary of the Pennsylvania Department of Community and Economic Development our department works with many companies on applications to this program. Through the Innovation Partnership we encourage companies to apply for SBIR funding and assist them in the preparation of their applications. We feel that by providing the exclusion you would allow for a more diverse range of applications for the program.

We appreciate the opportunity to comment on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Yablonsky".

Dennis Yablonsky
Secretary